https://www.financial-planning.com/news/faith-based-investing-appeals-to-many-investors

Interest in faith-based investing is high, but awareness is low
By Rob Burgess
April 14, 2025, 4:04 p.m. EDT

Nearly half of investors are interested in factoring their faith into their investment decisions, but only a small minority are aware of faith-based investing strategies or products. Even fewer incorporate them in their portfolios.

Those were among the findings of a recent Praxis Investment Management survey of 1,001 individual investors and 403 financial advisors.

According to the survey, even though 48% of investors were interested in the concept of faith-based investing — selecting investments that reflect religious values — it was familiar to only 21% of respondents. And just 5% of investors surveyed currently invest based on their faith. Of those who do practice faith-based investing, 37% of their portfolio was allocated as such.

Meanwhile, 59% of surveyed financial advisors were aware of faith-based investing, and 51% have chosen faith-based investments on behalf of their clients.

Advisors who specialize in this area say clients find great value in putting their faith into action in this way — but they emphasize that additional research is often required.

Start the conversation on faith-based investing
Tim Bauer, a financial planner and founder with Evergreen Financial Group in Billings, Montana, said his firm offers "biblically responsible investing", or BRI, to individual and church clients.

"While only about 10% of our clients currently choose to invest this way, the real value lies in opening up the conversation," he said. "Many clients simply aren't aware that faith-based investing is an option, and we see it as our role to make them aware so they can prayerfully consider if it aligns with their calling."

Tj Binkowski, founder of Narrow Road Financial Planning in Clarksville, Tennessee, said as evangelical Christians, nearly 100% of his firm's clientele seek faith-based investing and advice.

"As Christians, we already know the world will do things to oppose us," he said, referencing John 15:18, which states, "If the world hates you, remember that it hated me first."

Binkowski said he reminds clients they shouldn't expect their dollars to evangelize the economy.

"Jesus certainly didn't pursue this course," he said. "It's our personal decisions — how we live, spend, give and plan — that truly change the world, but more accurately, change our local communities. What we choose to bring into our homes, how we think about money and teach our children about it, how we approach retirement, how we serve — these are the levers of lasting, eternal impact."

Ty Johnson, a financial planner with Peak Financial Management in Broomfield, Colorado, said faith-based investing is a cornerstone of his practice. He said if a prospective client could be interested in faith-based investing, his firm usually incorporates it into their proposal, initiating a conversation about such strategies at that time.

"I don't think I've ever had someone tell me they aren't interested," he said.

"We have conversations about prospective clients' values before they ever hire us, so we usually know whether this is something they would be interested in early on," he said. "Overall, our Christian clients have been excited to see their values represented in their portfolio, and many of our new prospective clients assume we have faith-based investment options for them. It seems like it would be more of a surprise to them if we didn't offer that."

How faith-based investing works on a practical level

Johnson said advisors should help investors ask themselves what they do and do not want to fund, what they feel comfortable profiting from and how they want to use their influence. With initial public offerings (IPOs), primary market bonds, private equity and venture capital, the investment is going directly to fund a company's growth.

"Companies benefit far less when their securities are purchased in the secondary market, where most stocks and bonds are traded, because the investor is purchasing from another investor and not the issuing company," he said. "If your portfolio goes up in value or you receive a dividend, then you're profiting from the business practices of the companies you own. This is where a lot of faith-based investing starts and ends — screening out companies that don't align with the investor's values."

In terms of influence, Johnson said his firm is working to start voting proxies on behalf of their faith-based investing clients who own individual stocks, "ensuring their influence as investors is used in alignment with their values."

"Recently I brought up faith-based investing to some prospective clients, and after explaining our approach, they got excited," he said. "It was like a light bulb turned on when they realized they could influence the companies they owned through voting and engagement. They had never even considered that before."

Bauer said his firm focuses on helping clients define what stewardship looks like

for them. He said some feel called to maximize returns and give generously from their profits. Others prefer to align their investments directly with their values to make an impact through ownership.

"Both are valid approaches to faithful stewardship, and we've seen entire churches take differing stances on this," he said. "We don't push one model over another. Instead, we guide clients in creating financial plans that align with their unique values, goals and priorities. Faith-based investing is just one path — but when clients understand it, many become intrigued and empowered to explore it further."

Binkowski said his firm avoids what he called "the obvious big bads," which he listed as "porn, gambling, aggressively pro-LGBTQ+ companies and abortion initiatives."

"But in our view, focusing solely on 'faith-based investing' can become a way to sidestep the harder, more meaningful work — taking ownership and stewarding our lives and resources in a way that truly honors God," he said. "That's what transforms our homes, our communities and ultimately, our world."

Beware of 'Jesus-washing'

As with socially responsible investing or environmental, social and governance (ESG) investing, consensus on what faith-based investing means can be difficult to attain, and labels can sometimes lose their meaning. For both advisors and clients, discussion and deeper research into goals and products can be key.

Jason Britton, founder and chief investment officer of Reflections Asset Management in Mount Pleasant, South Carolina, said faith-based investing has been well received and embraced by his clients. However, he said he emphasizes caution when surveying the landscape.

"There are lots of providers out there who pretend to have products or offerings in the space, but many are the equivalent of 'Jesus washing' similar to the broader greenwashing phenomenon in traditional ESG," he said.

"Unfortunately — and this will sound disrespectful — faith-based investing often resembles ESG investing as largely a marketing gimmick," he said. "It sounds noble, but in practice, it's become just another way to package and sell products that claim moral superiority without driving meaningful change."

One challenge Bauer said he had encountered is that values-based filters — whether faith-driven or ESG — can vary widely.

"A clear example: We worked with a church whose council included tobacco farmers, yet many BRI models screen out tobacco companies," he said. "Even within the body of Christ, interpretations of Biblical stewardship differ."